

Economic Ordering Quantity (EOQ) Overview

Kansas Immunization Program

Economic Ordering Quantity

Objectives:

By the end of the meeting, providers will be able to:

- Define what the EOQ process is.
- Identify all of the components included in the EOQ process.
- Correlate the implementation of EOQ to tangible benefits to their practice.



Economic Ordering Quantity

Questions you may be asking:

- What is it?
- Why is it needed?
- What are the tools available to my clinic?
- How will it help my clinic?
- How and when do I implement it?



Economic Ordering Quantity (EOQ)

What is EOQ?

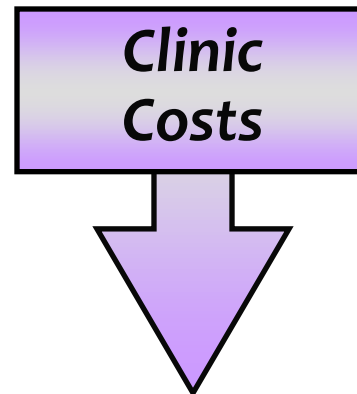
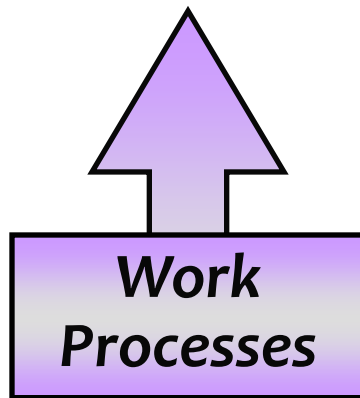
- A Required Continuous Quality Improvement (CQI) Effort
- Initiated by CDC
- Meant to implement industry best practices for vaccine ordering
- Preparing for VTrckS
 - Provider web based ordering system where provider will be held to pre-established volume of vaccine doses per order tier. Only KIP can override orders placed during unauthorized time frame..



Economic Ordering Quantity

It's the new, enhanced Tiered Order Frequency (TOF). Like TOF, Economic Ordering Quantity cycle balances and smoothes:

- Order sizes
- Order frequencies
- Storage and handling costs



EOQ strives to...

- Spread orders across the state throughout the month
- Help alleviate the “spike” of orders that McKesson Specialty Distribution currently experiences at the beginning of each month
- Create larger, less frequent orders, rather than a high volume of small orders



Economic Ordering Quantity

Like the old Tiered Order Frequency (TOF), **Economic Ordering Quantity** assigns ordering cycles based on the amount of vaccines used each year by each provider.



EOQ Ordering Tiers

Monthly: Providers who administer 6,000+ doses each year

Old TOF High volume (1000+ doses per year)

Bi-monthly: Providers who administer more than 800 doses each year, but less than 6,000

Old TOF Medium volume (500-999 doses per year)

Quarterly: Providers who administer more than 200 doses each year, but less than 799 doses each year

Old TOF Low volume (100-499 doses per year)

As-is: Providers who administer less than 200 doses each year (continue to order as needed)

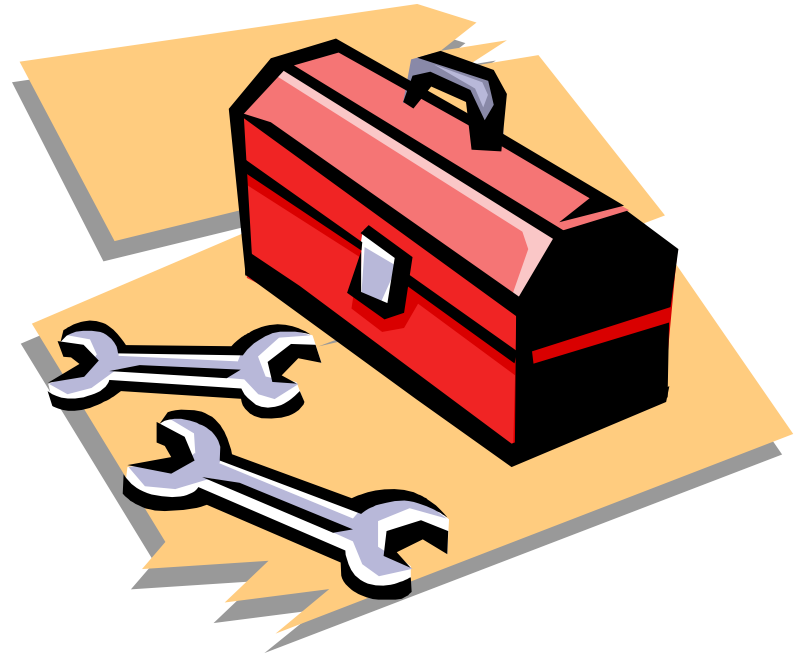
Old TOF "As-is" (<100 doses per year)

Special: Providers who have had storage and handling issues; are in corrective action process, or other VFC vaccine management concerns.



Economic Ordering Quantity Tools

- EOQ Ordering Calendar



EOQ Ordering Calendar

Assigns two-week ordering timelines, so some providers will order in the beginning of a month, and other providers will order later in a month.

Month Ordering Cycle						
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				



EOQ Ordering Calendar

- It will remind you which months and weeks you should place an order.
- Gives a 2 week window within the month in which you can place an order.
- Spreads orders out among all providers and improves vaccine delivery times.
- We will assign your worksite's ordering cycle.



VFC Vaccine Order Quantity Tool

- Helps determine the number of doses needed for each vaccine antigen for the various age cohorts
- Helps determine the total doses needed for 12 months
- Helps determine total doses needed for a given timeframe
- Total doses needed equal storage capacity needs
- **Is your total cubic ft. of vaccine storage capacity sufficient for total doses needed?**



KANSAS IMMUNIZATION PROGRAM

VFC VACCINE
ORDER
QUANTITY
TOOL

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
		#Children		Monthly		#Children		Monthly		#Children		Monthly		# Children		Monthly
Vaccines	# of Doses	<1 Year	Months	Total Inv.	# of doses	1-2 Year	Months	Total Inv	# of doses	3-6 Year	Months	Total Inv	# of Doses	7-18 Year	Months	Total Inv
DTaP	3		12	0	1		12	0	1		12	0				
Hib	3		12	0	1		12	0								
IPV	3		12	0					1		12	0				
Hep B-PF	3		12	0												
PCV	3		12	0	1		12	0								
Rotavirus	3		12	0												
MMR					1		12	0	1		12	0				
Varicella					1		12	0	1		12	0				
Hep A-PF					1		12	0	1		12	0				
Tdap									1							
Mening													1		12	0
HPV													3		12	0
Pentacel*	3		12	0												
Pediarix*	3		12	0												
Kinrix*									1		12	0				
Td*													2		12	0

	Enter the number of children in each age cohort and the formula will calculate						
	Not applicable to age cohort						
	Approximate # of Doses of each vaccine needed in Stock Each Month						
	Types of Vaccine						

PLEASE NOTE:

This tool may help providers to calculate the approximate number of doses needed for each age cohort in the vaccine series.

It is recommended providers keep a 60 day supply of vaccines on hand and re-order every 30 days. Note: EOQ may modify this.

Extra doses may be needed for: new children in the practice; referrals; high volume use (i.e. back to school)

*Pentacel (DTaP-Hib-IPV) combination to replace DTaP, Hib & Polio single antigens. Decrease single antigen amounts if combination vaccines used.

*Pediarix (DTaP-HBV-IPV) combination to replace DTaP, Hep B & Polio single antigens. Decrease single antigen amounts if combination vaccine used.

*Kinrix (DTaP-IPV) combination to replace DTaP & Polio single antigens. Decrease single antigen amounts if combination vaccine used.

*Td should only be used if a child, 7 years of age or older, has not received the infant DTaP series of vaccinations. Two doses of Td with one dose of Tdap is recommended.

*Hib vaccines have several brands with different dosing instructions. Be sure to read the manufacturers recommendations on each vaccine.



Economic Ordering Quantity

When do I Start?

“Monthly” GoLive Dates

April 1, 2010: Local Health
Departments

April 16, 2010: Private
Providers



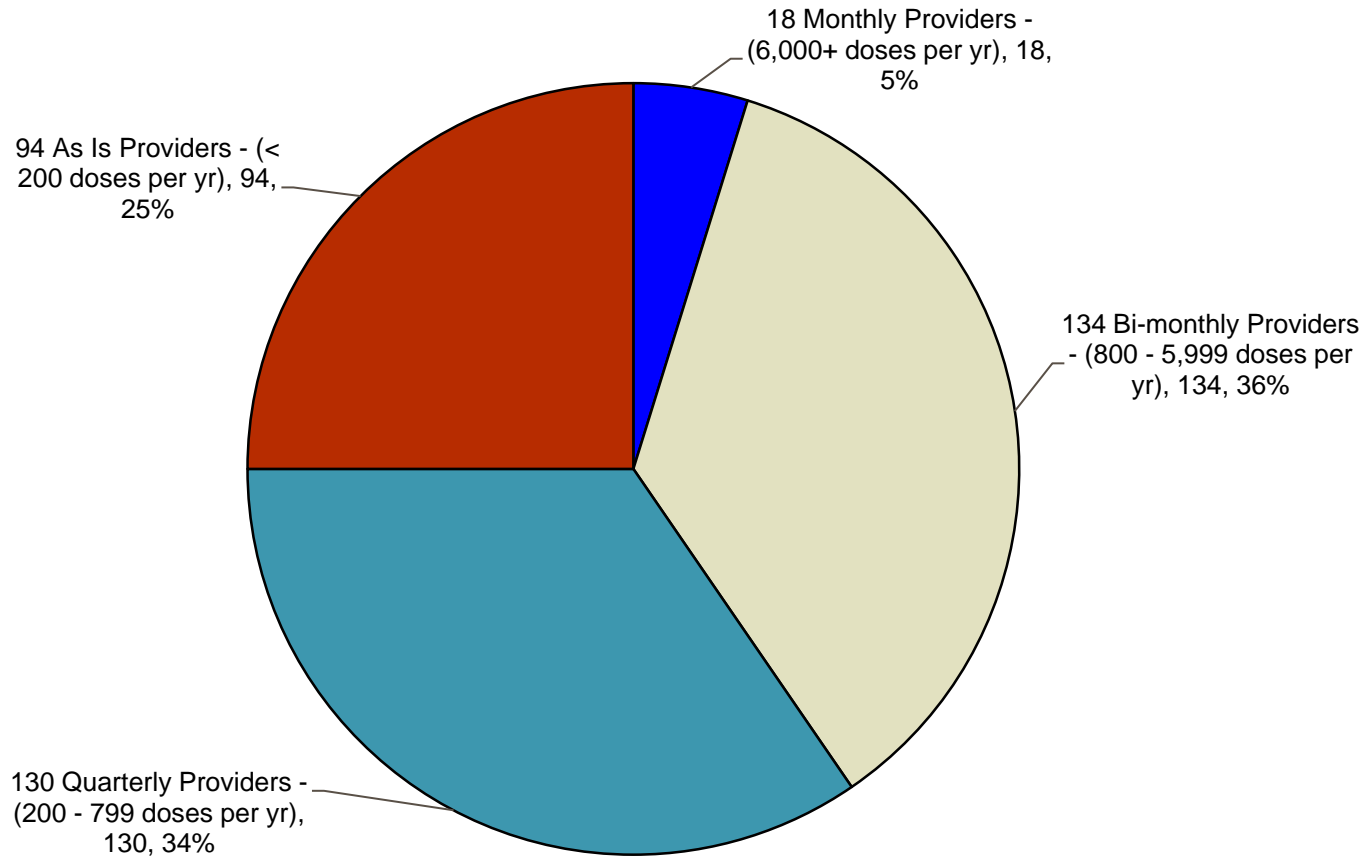
We need EOQ in Kansas

- Smoother ordering process
- Ensure adequate vaccine supply at all clinics
- Unified inventory management tools



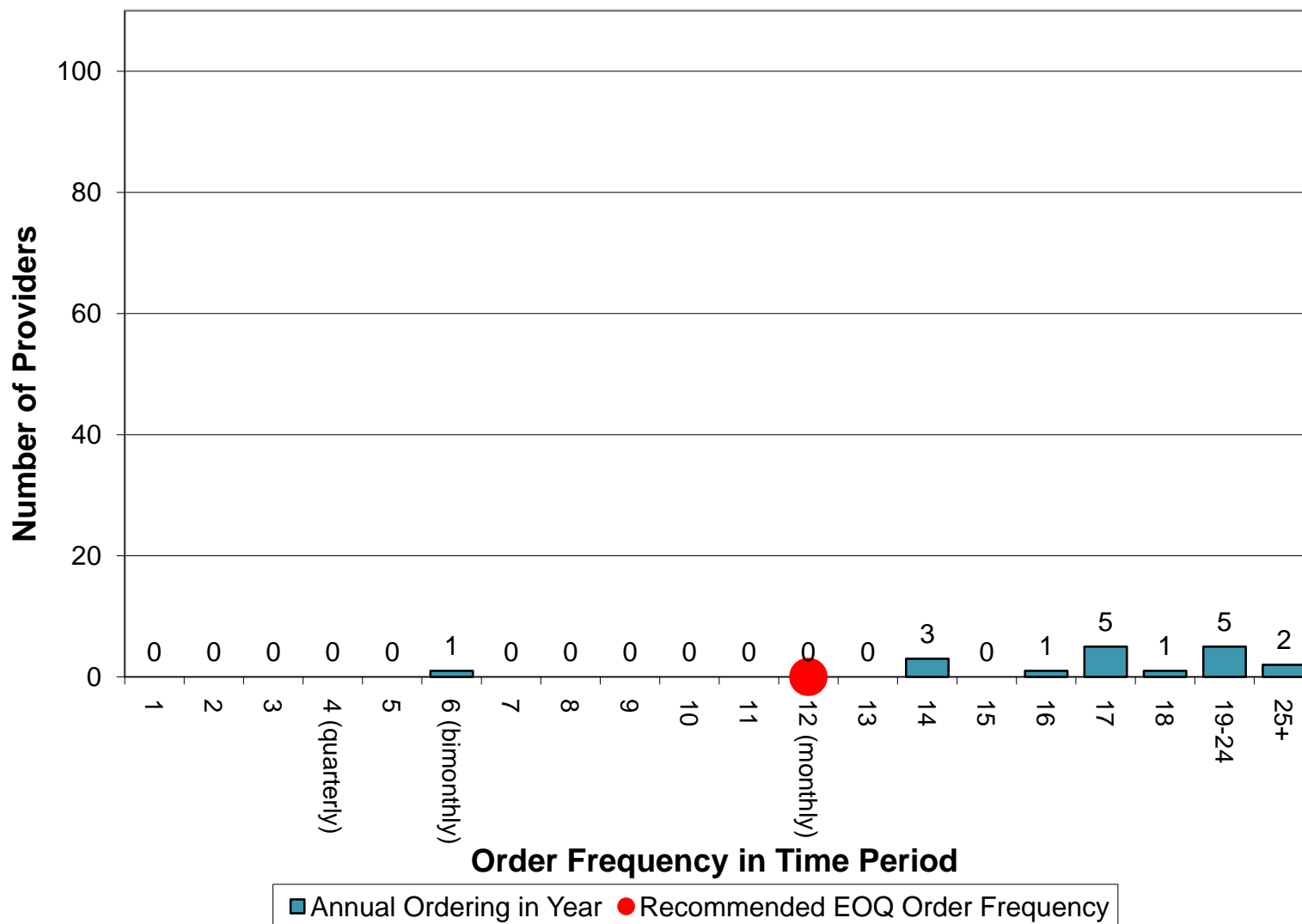
Provider Summary: Grouped by EOQ

376 KSA Providers Placed Orders From 11/26/08 to 11/24/09



Provider Ordering Behavior

376 KSA Providers Placed Orders From 11/26/08 to 11/24/09

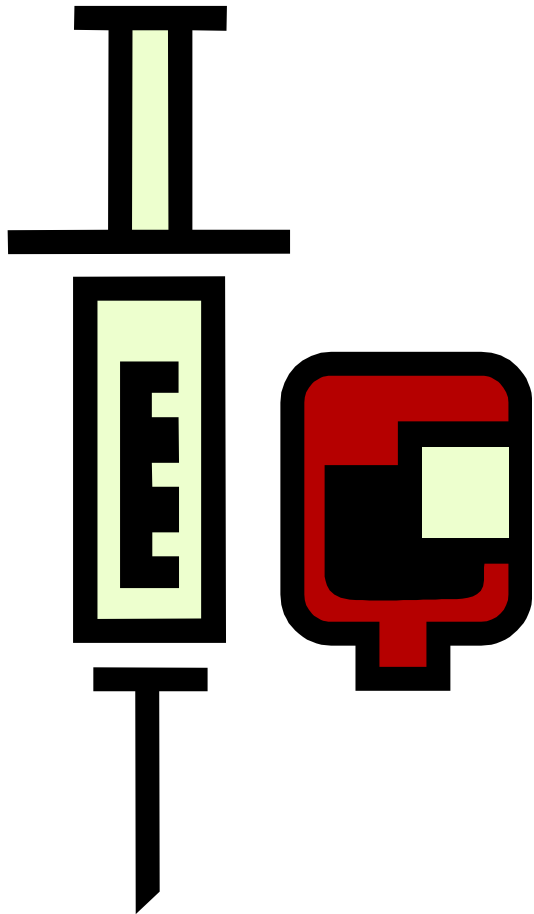


Benefits of EOQ

- At a national level, there will be greater predictability in ordering and improved inventory management.



Benefits of EOQ



- Participants will receive tools that help determine the right amount of vaccines to order, how often to order and when to order. The tools will also help to determine if your storage capacity is sufficient.



Benefits of EOQ

- It takes the guesswork out of determining how much of each vaccine is needed for a given ordering cycle.



Benefits of EOQ



- **The Economic Ordering Quantity** tools can help provider staff save time and help them feel more confident that they are ordering the right amount of vaccine. (based on history and seasonality)



Benefits of EOQ

- Providers decrease vaccine wastage from ordering too much vaccine that can not be used.



EOQ Ordering Calendar

- Tier primarily based on your clinic's "Doses Administered Per Year"

Selected Tier	➡ Frequency	➡ Schedule
High Volume	Monthly	Monthly 1 & 2
Medium Volume	Bi-monthly	Bi-monthly 1 – 4
Low Volume	Quarterly	Quarterly 1 - 6



EOQ Ordering Calendar

- This calendar is your 2010 guide for ordering frequency.
- Yellow shaded two-week periods give you “windows” for placing your VFC order.
- By sticking to the calendar, you are assured that you are ordering “on-tier” and are in compliance with new EOQ guidelines.



January10						
S	M	T	W	Th	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

February10						
S	M	T	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

March10						
S	M	T	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

April10						
S	M	T	W	Th	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

May10						
S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

June10						
S	M	T	W	Th	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

July10						
S	M	T	W	Th	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

August10						
S	M	T	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

September10						
S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

October10						
S	M	T	W	Th	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

November10						
S	M	T	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

December10						
S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	



January10						
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10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

February10						
S	M	T	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

March10						
S	M	T	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

April10						
S	M	T	W	Th	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

May10						
S	M	T	W	Th	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

June10						
S	M	T	W	Th	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

July10						
S	M	T	W	Th	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

August10						
S	M	T	W	Th	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
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September10						
S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
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19	20	21	22	23	24	25
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October10						
S	M	T	W	Th	F	S
					1	2
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28	29	30				

December10						
S	M	T	W	Th	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	



EOQ Ordering Calendar

If you ever need additional copies, just contact Kris Farris at (785) 296-1566 or by email at kfarris@kdheks.gov.



Questions

Program Staff

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